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CHINA AIRCRAFT LEASING GROUP HOLDINGS LIMITED

中國飛機租賃集團控股有限公司

(Incorporated under the laws of the Cayman Islands with limited liability)

(Stock code: 1848)

**CONTINUING CONNECTED TRANSACTIONS ANNOUNCEMENT
REVISION OF ANNUAL CAPS**

Reference is made to the 2015 First Announcement and the Circular in relation to, among other things, the continuing connected transactions between the Group and CE Group. Reference is also made to the 2015 Second Announcement in relation to the Amended and Restated Assignment of Finance Lease Receivables Framework Agreement, pursuant to which the Company and CE Group amended and restated the Original Assignment of Finance Lease Receivables Framework Agreement. The transactions contemplated under the Existing Agreements including the Existing Caps were approved by the Shareholders at the extraordinary general meeting of the Company held on 30 June 2015.

As the Board expects that the Existing Caps of each of the Existing Agreements for the years ending 31 December 2016 and 2017 will no longer be sufficient, the Board hereby announces that on 8 April 2016, the Company and CE Group entered into the Supplemental Agreements to revise the Existing Caps for the years ending 31 December 2016 and 2017 and to extend the terms of each of the Existing Agreements to 31 December 2018.

As at the date of this announcement, CE Group is the sole shareholder of CE Hong Kong. CE Hong Kong is the indirect controlling shareholder of CE Limited which indirectly holds approximately 49.7% equity interest in CE Limited. CE Limited in turn indirectly holds approximately 35% equity interest in the Company. Accordingly, CE Group is a controlling shareholder of the Company, and CE Group and its associates are connected persons of the Company. The transactions contemplated under the Existing Agreements (as supplemented by the Supplemental Agreements) constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratio(s) (as defined in Rule 14.07 of the Listing Rules) exceeds 5%, the transactions contemplated under each of the Existing Agreements (as supplemented by the Supplemental Agreements) constitute non-exempt continuing connected transactions of the Company and are subject to the reporting, announcement, annual review and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Board has approved to submit the Supplemental Agreements to the Shareholders at the EGM to consider and, if thought fit, approve the transactions (including the Revised Caps) contemplated thereunder. CE Group and its associates will abstain from voting on the resolutions to be proposed at the EGM in relation to the Supplemental Agreements.

An Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Shareholders on the Supplemental Agreements and the transactions (including the Revised Caps) contemplated thereunder. Investec Capital Asia Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Shareholders in this respect.

A circular containing, among other things, (i) further details of the Supplemental Agreements and the Revised Caps contemplated thereunder; (ii) a letter from the Independent Board Committee; and (iii) a letter setting out the advice of the independent financial adviser to the Independent Board Committee and the Shareholders, together with the notice of the EGM, will be dispatched to the Shareholders on or before 29 April 2016.

I. BACKGROUND INFORMATION

Reference is made to the 2015 First Announcement and the Circular in relation to, among other things, the continuing connected transactions between the Group and CE Group. Reference is also made to the 2015 Second Announcement in relation to the Amended and Restated Assignment of Finance Lease Receivables Framework Agreement, pursuant to which the Company and CE Group amended and restated the Original Assignment of Finance Lease Receivables Framework Agreement. The transactions contemplated under the Existing Agreements including the Existing Caps were approved by the Shareholders at the extraordinary general meeting of the Company held on 30 June 2015.

As the Board expects that the Existing Caps of each of the Existing Agreements for the years ending 31 December 2016 and 2017 will no longer be sufficient, the Board hereby announces that on 8 April 2016, the Company and CE Group entered into the Supplemental Agreements to revise the Existing Caps for the years ending 31 December 2016 and 2017 and to extend the terms of each of the Existing Agreements to 31 December 2018.

II. THE SUPPLEMENTAL DEPOSIT SERVICES FRAMEWORK AGREEMENT

The Company and CE Group have entered into the Supplemental Deposit Services Framework Agreement to revise the Existing Caps and extend the term of the Existing Deposit Services Framework Agreement. The principal terms of the Supplemental Deposit Services Framework Agreement are summarized below:

Date

8 April 2016

Parties

- (i) the Company; and
- (ii) CE Group

Subject matter

Pursuant to the Supplemental Deposit Services Framework Agreement, the Parties have agreed to revise the Existing Caps under the Existing Deposit Services Framework Agreement and to extend the term of the Existing Deposit Services Framework Agreement to 31 December 2018, subject to the Shareholders' approval. Save as amended by the Supplemental Deposit Services Framework Agreement, all other terms of the Existing Deposit Services Framework Agreement (as disclosed below) shall remain unchanged.

Transactions contemplated thereunder

Provision of deposit services by CE Group, through CE Bank, to the Group.

Payment

The time and means of payment is to be agreed by the parties with reference to customary business terms through arm's length negotiations.

Other terms

The Existing Deposit Services Framework Agreement (as supplemented by the Supplemental Deposit Services Framework Agreement) shall be non-exclusive and the Company is at liberty to obtain deposit services from other third parties.

CE Group shall procure CE Bank to provide to the Group deposit services (including current and fixed term deposit) in accordance with rules and regulations prescribed by the PBOC and/or other relevant rules and regulations within or outside the PRC.

The deposit services to be provided by CE Group shall be on normal commercial terms which are arrived upon arm's length negotiations and are no less favourable than:

- (i) terms available to the Group from independent third parties; and
- (ii) the most favourable terms offered by CE Bank to independent third party customers for similar or comparable deposit services.

Historical Figures, Existing Caps and Revised Caps

The following table sets out certain information regarding the amount of historical transactions for deposit services provided by CE Bank to the Group for the three years ended 31 December 2015 and the three months ended 31 March 2016:

	For the year ended 31 December (HK\$'000)			For the three months ended 31 March (HK\$'000)
	2013	2014	2015	2016
Maximum daily closing balance of deposits (including interests accrued thereon)	986,213	307,085	272,449	315,394

The following table sets out the Existing Caps of the continuing connected transactions contemplated under the Existing Deposit Services Framework Agreement:

	For the eight months ended 31 December <i>(HK\$'000)</i>	For the year ending 31 December <i>(HK\$'000)</i>	
	2015	2016	2017
Maximum daily closing balance of deposits (including interests accrued thereon)	296,000	345,000	394,000

The following table sets out the pricing standard and the Revised Caps of the continuing connected transactions contemplated under the Supplemental Deposit Services Framework Agreement:

	For the year ending 31 December <i>(HK\$'000)</i>		
	2016	2017	2018
Maximum daily closing balance of deposits (including interests accrued thereon)	2,741,000	3,182,000	3,843,000
Pricing Standard	<p>The interest rate for deposit services shall be based on normal commercial terms, agreed through arm's length negotiations between the parties and no less favourable than:</p> <ul style="list-style-type: none"> (i) the interest rates for the same type of deposits offered by other commercial banks; (ii) the terms available to the Group from independent third parties; and (iii) the most favorable terms (including but not limited to interest rate) offered by CE Bank to independent third party customers for similar or comparable deposit services. 		

Basis for the Revised Caps Contemplated Under the Supplemental Deposit Services Framework Agreement

The Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice of the independent financial adviser to the Company's Independent Board Committee and the Shareholders) consider that it is in the interests of the Company to enter into the transactions under the terms and conditions set out in the Supplemental Deposit Services Framework Agreement. The Directors have determined the Revised Caps for the deposit services with reference to a number of factors, including, among other things, (i) the historical figures of the maximum closing balance (including interest accrued thereon) of deposit in previous years, (ii) the expected increase in the amount of deposits to be placed with CE Bank, (iii) the expected interest income offered by CE Bank to the Group as compared with interest income that could otherwise be obtained by placing deposits with other commercial banks, and (iv) the business development plans and financial needs of the Group.

III. THE SUPPLEMENTAL LOAN SERVICES FRAMEWORK AGREEMENT

The Company and CE Group have entered into the Supplemental Loan Services Framework Agreement to revise the Existing Caps and extend the term of the Existing Loan Services Framework Agreement. The principal terms of the Supplemental Loan Services Framework Agreement are summarized below:

Date

8 April 2016

Parties

- (i) the Company; and
- (ii) CE Group

Subject matter

Pursuant to the Supplemental Loan Services Framework Agreement, the Parties have agreed to revise the Existing Caps under the Existing Loan Services Framework Agreement and to extend the term of the Existing Loan Services Framework Agreement to 31 December 2018, subject to the Shareholders' approval. Save as amended by the Supplemental Loan Services Framework Agreement, all other terms of the Existing Loan Services Framework Agreement (as disclosed below) shall remain unchanged.

Transactions contemplated thereunder

- (i) Provision of secured loan services and guarantees by CE Group, through CE Bank, to the Group; and
- (ii) Provision of secured loan services by CE Group, through the Trustee using funds of a Trust Plan of which Sun Life Everbright is a beneficiary, to the Group (the Trustee, i.e. the lender, is also one of the assignees of the FLRs under the Amended and Restated Assignment of Finance Lease Receivables Framework Agreement).

Payment

The time and means of payment is to be agreed by the parties with reference to customary business terms through arm's length negotiations, being normal commercial terms comparable to those for similar or comparable loan services or guarantees.

Other terms

The Existing Loan Services Framework Agreement (as supplemented by the Supplemental Loan Services Framework Agreement) shall be non-exclusive and the Company is at liberty to obtain loan services or guarantees from other third parties.

CE Group shall procure CE Bank and/or Sun Life Everbright and the Trustee, as the case may be, to provide loans and guarantees to the Group (including revolving credit facility and fixed term loan), subject to security over the assets of the Group, in accordance with rules and regulations prescribed by the PBOC and/or other relevant rules and regulations within or outside the PRC.

The loans services and guarantees to be provided by CE Group shall be on normal commercial terms which are arrived upon arm's length negotiations and are no less favourable than:

- (i) terms available to the Group from independent third parties; and
- (ii) the most favourable terms offered by CE Bank and/or Sun Life Everbright and the Trustee, as the case may be, to independent third party customers for similar or comparable loan services or guarantees.

As security for the Group's performance under loan agreements with the Trustee, the Group will provide security for the benefit of the Trustee by way of executing (i) a second aircraft mortgage, pursuant to which the relevant aircraft will be mortgaged by the Group to the Trustee, (ii) an insurance assignment, pursuant to which the Trustee will be assigned, as first loss payee and added as an additional assured, with all of the insurance proceeds and relevant income under prevailing insurance policies over the relevant aircraft and under circumstances of total loss in relation to the relevant aircraft.

Historical Figures, Existing Caps and Revised Caps

The following table sets out certain information regarding the amount of historical transactions for loan services and guarantees provided by CE Bank and the Trustee to the Group for the three years ended 31 December 2015 and the three months ended 31 March 2016:

	For the year ended 31 December (HK\$'000)			For the three months ended 31 March (HK\$'000)
	2013	2014	2015	2016
Maximum daily closing balance of loans (including the guarantees)	176,000	1,164,000	1,965,923	1,809,018

The following table sets out the Existing Caps of the continuing connected transactions contemplated under the Existing Loan Services Framework Agreement:

	For the eight months ended 31 December (HK\$'000)	For the year ending 31 December (HK\$'000)	
	2015	2016	2017
Maximum daily closing balance of loans (including the guarantees)	4,271,000	7,898,000	11,096,000

The following table sets out the pricing standard and the Revised Caps of the continuing connected transactions contemplated under the Supplemental Loan Services Framework Agreement:

	For the year ending 31 December <i>(HK\$'000)</i>		
	2016	2017	2018
Maximum daily closing balance of loans	8,146,000	14,082,000	18,214,000
Pricing Standard	<p>The interest rate for loan services shall be based on normal commercial terms, agreed through arm's length negotiations between the parties and no less favourable than:</p> <ul style="list-style-type: none"> (i) the interest rates for the same type of loans offered by other commercial banks; (ii) the terms available to the Group from independent third parties; and (iii) the most favorable terms (including but not limited to interest rate) offered by CE Bank and/or the Trustee, as the case may be, to independent third party customers for similar or comparable loan services. 		

Basis for the Revised Caps Contemplated Under the Supplemental Loan Services Framework Agreement

The Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice of the independent financial adviser to the Company's Independent Board Committee and the Shareholders) consider that it is in the interests of the Company to enter into the transactions under the terms and conditions set out in the Supplemental Loan Services Framework Agreement. The Directors have determined the Revised Caps for the loan services with reference to a number of factors, including, among other things, (i) the historical figures of the maximum closing balance of loans (including the guarantees) in previous years, (ii) the expected increase in the amount of loans and guarantees required by the Group, and (iii) the business development plans and financial needs of the Group. Based on the projected increase in fleet size and the expected aircraft delivery schedule, the Group's fleet will increase to 172 aircraft by 2022, resulting in an expected increase in the amount of loans required by the Group to fund, among others, the acquisition cost, of which approximately 20% to 40% is expected to be funded by loans from CE Group.

IV. THE SUPPLEMENTAL ASSIGNMENT OF FINANCE LEASE RECEIVABLES FRAMEWORK AGREEMENT

The Company and CE Group have entered into the Supplemental Assignment of Finance Lease Receivables Framework Agreement to revise the Existing Caps and extend the term of the Amended and Restated Assignment of Finance Lease Receivables Framework Agreement. The principal terms of the Supplemental Assignment of Finance Lease Receivables Framework Agreement are summarized below:

Date

8 April 2016

Parties

- (i) the Company; and
- (ii) CE Group

Subject matter

Pursuant to the Supplemental Assignment of Finance Lease Receivables Framework Agreement, the Parties have agreed to revise the Existing Caps under the Amended and Restated Assignment of Finance Lease Receivables Framework Agreement and to extend the term of the Amended and Restated Assignment of Finance Lease Receivables Framework Agreement to 31 December 2018, subject to the Shareholders' approval. Save as amended by the Supplemental Assignment of Finance Lease Receivables Framework Agreement, all other terms of the Amended and Restated Assignment of Finance Lease Receivables Framework Agreement (as disclosed below) shall remain unchanged.

Transactions contemplated thereunder

Assignment of the FLRs by the Group to associates of CE Group (including but not limited to CE Bank and the Trustee of a Trust Plan of which Sun Life Everbright is a beneficiary).

Payment

The time and means of payment is to be agreed by the parties with reference to customary business terms through arm's length negotiations, being normal commercial terms comparable to those for similar or comparable assignment of FLRs.

Other terms

The assignment of FLRs by the Group to GE Group shall be on normal commercial terms and no less favourable than terms offered by the Group to independent third party assignees for similar or comparable assignments.

As security for the lease payment by the relevant Aircraft Lessees, the Group will provide security for the benefit of the assignee by way of executing (i) a first aircraft mortgage, pursuant to which the relevant aircraft will be mortgaged by the Group to the assignee as security for the relevant Aircraft Lessee's payment obligations for rental receivables, (ii) an insurance assignment, pursuant to which the assignee will be assigned, as first loss payee and added as an additional assured, with all of the insurance proceeds and relevant income under prevailing insurance policies over the relevant aircraft and under circumstances of total loss in relation to the relevant aircraft.

Historical Figures, Existing Caps and Revised Caps

The following table sets out certain information regarding the amount of historical transactions for the assignment of FLRs by the Group to CE Group for the three years ended 31 December 2015 and the three months ended 31 March 2016:

	For the year ended 31 December (HK\$'000)			For the three months ended 31 March (HK\$'000)
	2013	2014	2015	2016
Total consideration	Nil	656,000	Nil	Nil

The following table sets out the Existing Caps of the continuing connected transactions contemplated under the Amended and Restated Assignment of Finance Lease Receivables Framework Agreement:

	For the eight months ended 31 December <i>(HK\$'000)</i>	For the year ending 31 December <i>(HK\$'000)</i>	
	2015	2016	2017
Total consideration	936,000	1,560,000	2,496,000

The following table sets out the pricing standard and the Revised Caps of the continuing connected transactions contemplated under the Supplemental Assignment of Finance Lease Receivables Framework Agreement:

	For the year ending 31 December <i>(HK\$'000)</i>		
	2016	2017	2018
Total consideration	7,020,000	7,020,000	7,020,000
Pricing Standard	The consideration in respect of the assignment of FLRs shall be based on normal commercial terms, agreed through arm's length negotiations between the parties and no less favourable than the terms offered by the Group to independent third parties for similar or comparable assignments.		

Basis for the Revised Caps Contemplated Under the Supplemental Assignment of Finance Lease Receivables Framework Agreement

The Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice of the independent financial adviser to the Company's Independent Board Committee and the Shareholders) consider that it is in the interests of the Company to enter into the transactions under the terms and conditions set out in the Supplemental Assignment of Finance Lease Receivables Framework Agreement. The Directors have determined the Revised Caps for the assignment of FLRs with reference to a number of factors, including, among other things, (i) the historical figures of the total consideration in respect of assignment of FLRs in previous years, which have taken into account the carrying value of the FLRs, (ii) the expected increase in the number of aircrafts owned by the Group and the corresponding expected increase in lease receivables in relation to such aircrafts, and (iii) the business development plans of the Group. Based on the projected increase in fleet size and the expected aircraft delivery schedule, the Group's fleet will increase to 172 aircraft by 2022. Such expansion is expected to result in a corresponding increase in the assignment of lease receivables in relation to such aircraft.

V. REASONS FOR AND BENEFITS OF THE SUPPLEMENTAL AGREEMENTS

The Revised Caps of the Supplemental Agreements have been determined by taking into account of the new business development plans and overall increased financial needs of the Group. The Board believes that the Existing Caps are not sufficient for the Company during the term of each of the Existing Agreements.

As the Existing Agreements will expire on 31 December 2017, and the Company anticipates that it will continue to carry out the transactions contemplated under the Existing Agreements after 31 December 2017, the Company entered into the Supplemental Agreements with CE Group on 8 April 2016 for extending the term of each of the Existing Agreements to 31 December 2018.

The terms of the Supplemental Agreements have been agreed upon arm's length negotiations between the Company and CE Group.

The Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice of the independent financial adviser to the Company's Independent Board Committee and the Shareholders) are of the view that (i) the continuing connected transactions contemplated under the Supplemental Agreements will be carried out in the ordinary and usual course of business of the Company; (ii) the terms of the Supplemental Agreements are normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole; and (iii) the Revised Caps of the transactions contemplated under the Supplemental Agreements are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

VI. LISTING RULES IMPLICATIONS

As at the date of this announcement, CE Group is the sole shareholder of CE Hong Kong. CE Hong Kong is the indirect controlling shareholder of CE Limited which indirectly holds approximately 49.7% equity interest in CE Limited. CE Limited in turn indirectly holds approximately 35% equity interest in the Company. Accordingly, CE Group is a controlling shareholder of the Company, and CE Group and its associates are connected persons of the Company. The transactions contemplated under the Existing Agreements (as supplemented by the Supplemental Agreements) constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratio(s) (as defined in Rule 14.07 of the Listing Rules) exceeds 5%, the transactions contemplated under each of the Existing Agreements (as supplemented by the Supplemental Agreements) constitute non-exempt continuing connected transactions of the Company and are subject to the reporting, announcement, annual review and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

None of the Directors has a material interest in the transactions under the Supplemental Agreements or is required to abstain from voting on the resolutions in relation to such transactions.

VII. SHAREHOLDERS' GENERAL MEETING AND APPROVAL

The Board has approved to submit the Supplemental Agreements to the Shareholders at the EGM to consider and, if thought fit, approve the transactions (including the Revised Caps) contemplated thereunder. CE Group and its associates will abstain from voting on the resolutions to be proposed at the EGM in relation to the Supplemental Agreements.

An Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Shareholders on the Supplemental Agreements and the transactions (including the Revised Caps) contemplated thereunder. Investec Capital Asia Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Shareholders in this respect.

A circular containing, among other things, (i) further details of the Supplemental Agreements and the Revised Caps contemplated thereunder; (ii) a letter from the Independent Board Committee; and (iii) a letter setting out the advice of the independent financial adviser to the Independent Board Committee and the Shareholders, together with the notice of the EGM, will be dispatched to the Shareholders on or before 29 April 2016.

VIII. GENERAL INFORMATION

The Company is principally engaged in the aircraft leasing business in the PRC.

CE Group was incorporated as a joint stock company with limited liability in the PRC and is owned as to 44.33% and 55.67% by MOF and Huijin Limited, respectively. CE Group is a conglomerate which, through its subsidiaries and associates, engages in a diverse range of businesses including banking, securities and asset management.

CE Bank was incorporated as a joint stock company with limited liability in the PRC and is one of the major commercial banks in the PRC and primarily engages in the commercial banking business, including retail banking, corporate banking and treasury operation, etc.

Sun Life Everbright is a company incorporated in the PRC on 2 March 2012. It is principally engaged in the business of fund management trustee services and insurance asset management services.

IX. DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“2015 First Announcement”	the announcement of the Company dated 14 May 2015 in relation to the continuing connected transactions between the Group and CE Group
“2015 Second Announcement”	the announcement of the Company dated 14 December 2015 in relation to the Amended and Restated Assignment of Finance Lease Receivables Framework Agreement
“Aircraft Lessees”	airline operators which are lessees of aircrafts under the relevant aircraft lease agreements entered into with members of the Group for the lease of aircrafts legally owned by the Group
“Amended and Restated Assignment of Finance Lease Receivables Framework Agreement”	the agreement entered into between the Company and CE Group on 14 December 2015, pursuant to which the Original Assignment of Finance Lease Receivables Framework Agreement was amended and restated such that in addition to the original assignee, the Group shall assign FLRs to associates of CE Group, including but not limited to CE Bank, please refer to the 2015 Second Announcement for details
“associate”	has the meaning ascribed thereto under Chapter 14A of the Listing Rules

“Board”	the board of directors of the Company
“CE Bank”	China Everbright Bank Company Limited* (中國光大銀行股份有限公司), a joint stock limited company incorporated in the PRC and the H shares and A shares of which are listed on the Stock Exchange (stock code: 6818) and the Shanghai Stock Exchange (stock code: SH601818), respectively, and is an associate of CE Group
“CE Group”	China Everbright Group Ltd.* (中國光大集團股份有限公司), a joint stock limited company incorporated in the PRC
“CE Hong Kong”	China Everbright Holdings Company Limited (中國光大集團有限公司), a company incorporated under the laws of Hong Kong with limited liability and a wholly-owned subsidiary of CE Group
“CE Limited”	China Everbright Limited (中國光大控股有限公司), a company incorporated under the laws of Hong Kong with limited liability, whose shares are listed on the Stock Exchange (stock code: 0165) and is indirectly owned as to approximately 49.7% by CE Hong Kong
“Circular”	the circular of the Company dated 15 June 2015 in relation to the continuing connected transactions between the Group and CE Group
“Company”	China Aircraft Leasing Group Holdings Limited (中國飛機租賃集團控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under Chapter 14A of the Listing Rules
“controlling shareholder”	has the meaning ascribed thereto under Chapter 1 of the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Agreements”	the Amended and Restated Assignment of Finance Lease Receivables Framework Agreement, the Existing Deposit Services Framework Agreement and the Existing Loan Services Framework Agreement
“Existing Caps”	the existing annual caps for the transactions contemplated under the Existing Agreements
“Existing Deposit Services Framework Agreement”	the agreement entered into between the Company and CE Group on 14 May 2015, pursuant to which CE Group has agreed to provide, through CE Bank, deposit services to the Group in accordance with the terms thereunder for the years of 2015, 2016 and 2017, please refer to the Circular for details

“Existing Loan Services Framework Agreement”	the agreement entered into between the Company and CE Group on 14 May 2015, pursuant to which CE Group has agreed to provide, through CE Bank and/or the Trustee (as the case may be), loan services to the Group in accordance with the terms thereunder for the years of 2015, 2016 and 2017, please refer to the Circular for details
“EGM”	the extraordinary general meeting of the Company to be held for considering, among other things, the Supplemental Deposit Services Framework Agreement, the Supplemental Loan Services Framework Agreement and the Supplemental Assignment of Finance Lease Receivables Framework Agreement and the Revised Caps
“FLRs”	finance lease receivables under the relevant aircraft lease agreements entered into by members of the Group and Aircraft Lessees for the lease of aircrafts legally owned by the Group
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huijin Limited”	Central Huijin Investment Limited* (中央匯金投資有限責任公司), a company incorporated under the laws of the PRC with limited liability
“Independent Board Committee”	an independent committee of the Board comprising all of the independent non-executive Directors of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOF”	the Ministry of Finance of the PRC
“Original Assignment of Finance Lease Receivables Framework Agreement”	the agreement entered into between the Company and CE Group on 14 May 2015, pursuant to which the Group will assign to the Trustee the FLRs related to aircrafts leased by the Group to Aircraft Lessees in accordance with the terms thereunder for the years of 2015, 2016 and 2017, please refer to the Circular for details
“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC
“PRC”	the People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)

“Revised Caps”	the proposed revised annual caps for the years ending 31 December 2016, 2017 and 2018 for the transactions contemplated under the Supplemental Agreements
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sun Life Everbright”	Sun Life Everbright Asset Management Co. Ltd.* (光大永明資產管理股份有限公司), a company incorporated under the laws of the PRC with limited liability
“Supplemental Agreements”	the Supplemental Assignment of Finance Lease Receivables Framework Agreement, the Supplemental Deposit Services Framework Agreement and the Supplemental Loan Services Framework Agreement
“Supplemental Assignment of Finance Lease Receivables Framework Agreement”	the agreement entered into between the Company and CE Group on 8 April 2016 to amend certain terms of the Amended and Restated Assignment of Finance Lease Receivables Framework Agreement
“Supplemental Deposit Services Framework Agreement”	the agreement entered into between the Company and CE Group on 8 April 2016 to amend certain terms of the Existing Deposit Services Framework Agreement
“Supplemental Loan Services Framework Agreement”	the agreement entered into between the Company and CE Group on 8 April 2016 to amend certain terms of the Existing Loan Services Framework Agreement
“Trustee”	the trustee of the relevant Trust Plans
“Trust Plans”	pooled investment funds trust plans of which the Trustee is a trustee
“%”	per cent.

By order of the Board
China Aircraft Leasing Group Holdings Limited
CHEN SHUANG
*Executive Director, Chairman
and Chief Executive Officer*

Hong Kong, 8 April 2016

As at the date of this announcement, (i) the Executive Directors are Mr. CHEN Shuang and Ms. LIU Wanting; (ii) the Non-executive Directors are Mr. TANG Chi Chun, Mr. GUO Zibin and Ms. CHEN Chia-Ling; and (iii) the Independent Non-executive Directors are Mr. FAN Yan Hok, Philip, Mr. NG Ming Wah, Charles, Mr. NIEN Van Jin, Robert and Mr. CHEOK Albert Saychuan.

** For identification purpose only*